

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

MICROSOFT CORP.,
Petitioner,

v.

VIRNETX INC.,
Patent Owner.

Case IPR2014-00612
Case IPR2014-00613
Case IPR2014-00614
Patent 7,418,504 B2¹

Before MICHAEL P. TIERNEY, KARL D. EASTHOM, and
STEPHEN C. SIU, *Administrative Patent Judges*.

EASTHOM, *Administrative Patent Judge*.

DECISION

Institution of *Inter Partes* Review in IPR2014-00613 and IPR2014-00614
and Denying Institution of *Inter Partes* Review in IPR2014-00612
37 C.F.R. § 42.108

¹ A copy of this Decision will be entered in each case. Hereinafter, using the heading style of the Scheduling Order, all papers and exhibits by the parties will be filed only in IPR2014-00614.

I. INTRODUCTION

A. Background

Microsoft Corporation (“Petitioner”) filed three Petitions requesting *inter partes* review of claims 1, 2, 6, 14–17, 19–23, 26–41, 43–47, and 50–60 of U.S. Patent No. 7,418,504 B2 (Ex. 1001, “the ’504 Patent”).

VirnetX Inc. (“Patent Owner”) filed a Preliminary Response (“Prelim. Resp.”) in each of the three proceedings, as listed in the following chart.²

| Case No. | Challenged Claims | Petition Paper No. | Preliminary Response Paper No. |
|----------------------------|--|--------------------|--------------------------------|
| IPR2014-00612 (“’612 IPR”) | 1, 2, 6, 14–17, 19–23, 26–41, 43–47, and 50–60 | Paper 2 | Paper 7 |
| IPR2014-00613 (“’613 IPR”) | 1, 2, 6, 14–17, 19–23, 26–41, 43–47, and 50–60 | Paper 2 | Paper 8 |
| IPR2014-00614 (“’614 IPR”) | 1, 2, 6, 14–17, 19–23, 26–41, 43–47, and 50–60 | Paper 1 | Paper 7 |

We have jurisdiction under 35 U.S.C. § 314. Under 35 U.S.C. § 314(a), an *inter partes* review may not be “instituted unless . . . the petition filed under section 311 and any response filed under section 313 shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.”

We determine, based on the record, that Petitioner has demonstrated, under 35 U.S.C. § 314(a), that there is a reasonable likelihood it would

² Unless otherwise noted, citations to “Pet.,” “Prelim. Resp.,” and “Ex.” refer to the Petition, Preliminary Response, and Exhibits, respectively, in Case IPR2014-00614.

IPR2014-00612, IPR2014-00613, and IPR2014-00614
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prevail in establishing unpatentability with respect to all of the challenged claims, claims 1, 2, 6, 14–17, 19–23, 26–41, 43–47, and 50–60.

Petitioner relies on the following references:

US 6,557,037 B1 (Apr. 29, 2003) ('613 IPR, Ex. 1008, “Provino”).

US 6,225,993 B1 (May 1, 2001) (Ex. 1009, “Lindblad”).

P. Mockapetris, *Domain Names — Concepts and Facilities*, NETWORK WORKING GROUP, REQUEST FOR COMMENTS: 1034 1–55 (1987) (Ex. 1010, “RFC 1034”).³

E. Rescorla & A. Schiffman, *The Secure HyperText Transfer Protocol*, ENTERPRISE INTEGRATION TECHNOLOGIES 1–35 (1996) (Ex. 1012, “RFC 2660”).⁴

Takahiro Kiuchi & Shigekoto Kaihara, *C-HTTP -- The Development of a Secure, Closed HTTP-based Network on the Internet*, PROCEEDINGS OF THE SYMPOSIUM ON NETWORK AND DISTRIBUTED SYSTEM SECURITY, IEEE 64–75 (1996) (Ex. 1018, “Kiuchi”).

Aventail Corp., *Aventail Connect v3.01/v2.51 Administrator's Guide and Aventail Extranet Center v3.0 Administrator's Guide* 1–194 (1996–99) ('612 IPR, Ex. 1007, “Aventail”).

Dave Kosiur, *Building and Managing Virtual Private Networks* (Sept. 1, 1998) (“Kosiur”) ('613 IPR, Ex. 1024).

³ Also cited as Ex. 1010 in the '613 IPR.

⁴ Also cited as Ex. 1012 in the '613 IPR.

Petitioner contends that the challenged claims are unpatentable under 35 U.S.C. § 102 and/or § 103 based on the following specific grounds:

| Reference(s) | Basis | Claims Challenged |
|--|----------------|--|
| Kiuchi | § 102 | 1, 2, 6, 14–17, 19–23, 26–31, 33–41, 43–47, 50–55, and 57–60 |
| Aventail ⁵ | § 102 or § 103 | 1, 2, 6, 14–17, 19–23, 26–41, 43–47, and 50–60 |
| Provino | § 102 | 1, 2, 6, 14–17, 19–23, 26–41, 43–47, and 50–60 ⁶ |
| Kiuchi, Aventail, or Provino, and RFC 1034 | § 103 | 20, 21, 35, 44, 45, and 59 |
| Kiuchi, Aventail or Provino, and RFC 2660 | § 103 | 16, 27, 33, 40, 51, and 57 |
| Kiuchi or Aventail, and Lindblad | § 103 | 32 and 56 |
| Provino and Kosiur | § 103 | 29–32 and 53–56 |

Petitioner also relies on two declarations provided by Dr. Roch Guerin, Exhibit 1023 in the '613 IPR and Exhibit 1021 in the '614 IPR.

B. The '504 Patent

The '504 Patent describes a system and method for establishing a secure communication link between a first computer and a second computer over a computer network. Ex. 1001, 6:36–39, 48:58–60. The user obtains a

⁵ In the '612 IPR proceeding, Petitioner asserts that “Aventail” includes both documents listed above as part and parcel of the same document pursuant to an anticipation challenge, or alternatively, constitutes two documents pursuant to an obviousness challenge. *See* '612 IPR, Pet.14, 51.

⁶ Although one section heading of the Petition does not include claims 29–32 and 53–56 as anticipated by Provino (Pet. 14), other section headings, the analysis, and a table, include these claims as anticipated (Pet. 4, 45–47).

secure URL (uniform resource locator) for a secure domain name by querying a secure domain name service that contains a cross-reference database of secure domain names and corresponding secure network addresses. *Id.* at 50:27–30, 50:65–66. When the user queries the secure domain name service for a secure computer network address, the secure domain name service determines the particular secure URL for a corresponding computer network address and returns the network address corresponding to the request. *Id.* at 38:61–63, 39:3–5, 51:17–47.

Claim 1 of the '504 Patent is reproduced below:

1. A system for providing a domain name service for establishing a secure communication link, the system comprising:

a domain name service system configured to be connected to a communication network, to store a plurality of domain names and corresponding network addresses, to receive a query for a network address, and to comprise an indication that the domain name service system supports establishing a secure communication link.

C. Related Matters

According to Petitioner, the '504 Patent is the subject of several co-pending federal district court actions. *See* Pet. 1–2 (listing the actions and proceedings). The '504 Patent also has been the subject of other *inter partes* petitions by other parties, which have been dismissed or not instituted (failing to list all real parties-in-interest or time barred). *See* Pet. 2 (listing five petitions by other parties). The '504 Patent also is the subject of two ongoing *inter partes* reexamination proceedings, 95/001,788 (Right of Appeal Notice (“RAN”) rejecting claims 1–60 of the '504 Patent in a Prosecution) and 95/001,851 (RAN rejecting claims 1–10 and 12–60,

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